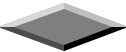


Erroneous Data Appeal



This section is divided into two parts. The first part (pages 141 through 172) provides background information on the erroneous data appeal and outlines the process and procedures for submitting an erroneous data appeal. The second part (pages 173 through 184) provides an example of a situation that would warrant the submission of an erroneous data appeal and sample material as it would pertain to an erroneous data appeal.

To understand the erroneous data appeal process, the U.S. Department of Education (Department) recommends that the reader review both parts of this section.

PART I: Background, Process, and Procedures

QUALIFYING

What is an erroneous data appeal?

An erroneous data appeal is an appeal submitted to the Department alleging that a school's official cohort default rate is inaccurate because of "new data" and/or "disputed data" included in the cohort default rate calculation.¹

¹ 34 CFR Section 668.17(c)(1)(i)(A)

Q. What causes new data to appear in the official cohort default rate calculation?

A. New data may appear in the official cohort default rate calculation because NSLDS is continuously provided with new/updated information. Because the draft cohort default rates are calculated approximately six months before the official cohort default rates are calculated, the data used to calculate the draft cohort default rate may be different than the data used to calculate the official cohort default rate.

What is new data?

New data occurs when the loan data reported to the National Student Loan Data System (NSLDS) is changed during the period between the calculation of the draft and official cohort default rates. New data can be identified by comparing the draft and official loan record detail reports for the same year and determining if any loan data is newly included, excluded, or changed in any manner.

Examples of new data include:

- a specific loan is **not included in the draft** cohort default rate calculation but the loan is **included in the official** cohort default rate calculation as either a defaulted or non-defaulted loan;
- a loan is **included in the draft** cohort default rate calculation as either a non-defaulted loan or a defaulted loan but the same loan is **not included in the official** cohort default rate calculation;
- a loan is **included in the draft** cohort default rate calculation as a **non-defaulted loan** but the same loan is **included in the official** cohort default rate calculation as a **defaulted loan**;
- a loan is **included in the draft** cohort default rate calculation as a **defaulted loan** but the same loan is **included in the official** cohort default rate calculation as a **non-defaulted loan**.

What is disputed data?

Disputed data occurs in a school's cohort default rate calculation if:

- the school alleges, during the draft data challenge process, that an account is incorrectly used in the cohort default rate calculation;
- AND
- the entity responsible for the account disagrees with the school's allegation;
- AND

Q. What is a draft data challenge?

A. A draft data challenge is the process used by a school to correct cohort default rate data before the *official* cohort default rates are calculated.

Please refer to the Department's *Draft Cohort Default Rate Guide* for additional information on draft data challenges.

- the school believes the entity's response is incorrect;
- AND
- the same alleged error is included in the school's official cohort default rate.

**Note**

After the release of the official cohort default rates, allegations of disputed data **must be re-addressed** to the entity that responded to the draft data challenge prior to submitting the allegations of disputed data to the Department.

Which schools are eligible to submit an erroneous data appeal?

Only schools that have new data and/or disputed data in the cohort default rate calculation AND are subject to one or more of the following sanctions as a result of the school's official cohort default rates may submit an erroneous data appeal:

- **initial loss** of Federal Family Education Loan (FFEL) Program, William D. Ford Federal Direct Loan (Direct Loan) Program, and/or Federal Pell Grant Program eligibility;²
- OR
- **extended loss** of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program eligibility;³
- AND/OR
- **possible action to limit, suspend, and/or terminate (LS&T)** eligibility to participate in any or all Title IV Student Financial Assistance Programs.⁴

Please refer to the "Cohort Default Rate Effects" section beginning on page 35 for more information on these sanctions.

² 34 CFR Section 668.17(b) and 34 CFR Section 668.17(a)(3)

³ Id.

⁴ 34 CFR Section 668.17(a)(2)

Q. If a school receives an official cohort default rate but has officially withdrawn from the FFEL Program and/or Direct Loan Program, should the school review the cohort default rate data?

A. Yes. It is important to address any new data and/or disputed data errors found in the cohort default rate data because a school may be subject to certain consequences as a result of its official cohort default rates even if the school is no longer participating in the FFEL Program and/or Direct Loan Program.

Why should a school submit an erroneous data appeal?

If eligible, a school should submit an erroneous data appeal if it believes that there are new data or disputed data in the school's official loan record detail report and it has not previously appealed the official cohort default rate based on allegations of erroneous data.



Note

In order to appeal based on erroneous data, a school must prove that the recalculated rate using corrected data would, by itself or in conjunction with an improper loan servicing and collection appeal, an uncorrected data adjustment, and/or a new data adjustment, produce an official cohort default rate lower than the applicable sanction threshold(s).

This checklist summarizes the criteria for an erroneous data appeal. A school should review the checklist to determine if it can appeal on the basis of erroneous data.



Erroneous Data Appeal Eligibility Checklist

To be eligible to appeal its official cohort default rate on the basis of erroneous data, a school must meet ALL of the following criteria –

- The school is subject to a sanction as described on page 143.
- The school believes that its official cohort default rate is inaccurate because of:
 - ❖ new data;
 - AND/OR
 - ❖ disputed data.
- The school's appeal, by itself or in combination with an improper loan servicing and collection appeal, an uncorrected data adjustment, and/or a new data adjustment, will result in a recalculated official cohort default rate below the applicable sanction threshold(s).
- The school has NOT previously appealed the official cohort default rate at issue on the basis of erroneous data.

For which cohort default rates may a school submit an erroneous data appeal?

The cohort default rate sanctions to which a school is subject determine which cohort default rates the school may appeal on the basis of erroneous data.

- If the school is subject to **initial loss** of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program eligibility, it may appeal on the basis of erroneous data on any or all of the three most recent official cohort default rates on which the loss of eligibility is based—as long as it has not previously appealed that fiscal year’s official cohort default rate calculation on the basis of erroneous data. This year, the school may appeal its fiscal year (FY) 1996, FY 1997, and/or FY 1998 official cohort default rates.
- If the school is subject to **extended loss** of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program eligibility, it may appeal only the most recent year’s (in this case FY 1998) official cohort default rate.
- If the school is subject to **possible action to LS&T** its participation in all Title IV Student Financial Assistance Programs due to its most recent official cohort default rate, but it is NOT subject to initial loss of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program eligibility, it may appeal only the most recent (in this case FY 1998) official cohort default rate.

Please refer to the “Cohort Default Rate Effects” section beginning on page 35 for more information on cohort default rate sanctions.



Note

If a school is NOT subject to cohort default rate sanctions, the school is not eligible to file an erroneous data appeal with the Department and, if an appeal is filed, the Department will NOT review it. The school may, however, be eligible to file an uncorrected data and/or new data adjustment.

Q. If a school is subject to both initial loss of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program eligibility AND LS&T, which official cohort default rates may the school appeal based on erroneous data?

A. The school may appeal its three most recent official cohort default rates based on erroneous data, as long as it has not previously appealed the official cohort default rate calculation(s) on the basis of erroneous data.

Please refer to the "Uncorrected Data Adjustment" section and the "New Data Adjustment" sections beginning on pages 83 and 101, respectively, for more information on filing an uncorrected data or new data adjustment.

The table below summarizes the official cohort default rates that a school may appeal on the basis of erroneous data

Official Cohort Default Rates That May Be Appealed on the Basis of Erroneous Data	
If a school is subject to ...	the school may...
no sanctions	NOT appeal
initial loss of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program	appeal FY 1998, FY 1997*, and/or FY 1996*
extended loss of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program	appeal FY 1998
LS&T only (based on FY 1998 cohort default rate)	appeal FY 1998
LS&T AND initial loss of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program	appeal FY 1998, FY 1997*, and/or FY 1996*

* Provided that the school has not previously appealed the cohort default rate on the basis of erroneous data.

Is an erroneous data appeal the same as an uncorrected data adjustment or a new data adjustment?

No, an erroneous data appeal is NOT the same as an uncorrected data adjustment or new data adjustment.

- An **erroneous data appeal** addresses data that were challenged during the draft data challenge process but were not resolved during the draft data challenge process and/or new data that appears in the school's official cohort default rate. An erroneous data appeal may only be submitted by a school that is subject to sanctions as a result of the school's official cohort default rates. When submitting an erroneous data appeal the guaranty agency/Direct Loan servicer does not need to agree that a change to the data is warranted.
- An **uncorrected data adjustment** addresses changes to data that were correctly agreed to during the draft data challenge process, but were not made. Any school, regardless of its cohort default rate, may submit an uncorrected data adjustment PROVIDED that the adjustment is timely submitted and the guaranty agency/Direct Loan servicer correctly agreed to change the data during the draft data challenge process.
- A **new data adjustment** addresses data that were correctly reported in the draft loan record detail report BUT were incorrectly reported in the official loan record detail report (i.e., new data). Any school, regardless of its cohort default rate, may submit a new data adjustment PROVIDED that the adjustment is timely submitted and the guaranty agency/Direct Loan servicer agreed to change the data after the release of the official cohort default rates.

**Note**

A school may be eligible to submit an erroneous data appeal, a new data adjustment, and/or an uncorrected data adjustment. If a school is submitting one or more of these adjustments/appeals, it is important to note that each has different eligibility, deadline, and documentation requirements.

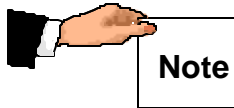
For more information on uncorrected data adjustments and/or new data adjustments, please refer to the “Uncorrected Data Adjustment” and/or “New Data Adjustment” sections beginning on pages 83 and 101, respectively.

What if a school does not submit an erroneous data appeal?

If a school does not submit an erroneous data appeal after the release of the official cohort default rates, the school may not have the opportunity to challenge the data at a later time.

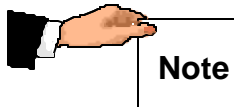
What role does a guaranty agency have in a school's erroneous data appeal?

A guaranty agency is required to respond to a school's timely submitted erroneous data allegations for those FFEL Program loans for which the agency currently maintains the guaranty.



A school can determine which guaranty agency currently maintains the guaranty on an FFEL Program loan by the **guarantor/servicer code** that is reported on the loan record detail report for the loan in question. "Appendix A" identifies the entity associated with each guarantor/servicer code.

The guaranty agency must respond to the school's erroneous data allegations within **15 working days** of receiving the allegations. If the guaranty agency does not respond within **15 working days**, the school should advise the Department's Default Management Division, in writing, of the delay.



In its response to a school's erroneous data allegations, the guaranty agency will address each of the school's allegations. However, the guaranty agency should NOT respond to an erroneous data allegation if the time frame for a school to submit the allegations has expired.

Please refer to the "Information for Guaranty Agencies on Adjustments and Appeals" section beginning on page 361 for more information on guaranty agency responsibilities and the "Timing and Submitting" portion of this section beginning on page 159 for more information on the time frames associated with erroneous data appeals.

What role does the Department have in a school's erroneous data appeal?

The Department has two separate roles in a school's erroneous data appeal. The Department's first role is responding to a school's allegations based on new data and/or disputed data if the guarantor/servicer code is "555" or "0101". The Department's second role is to review a school's erroneous data appeal.

- The Department is responsible for responding to a school's erroneous data allegations if the allegations address FFEL Program loans currently held by the Department and/or Direct Loan Program loans.
- ❖ The **Department's Default Management Division** is responsible for responding to schools' allegations regarding **FFEL Program loans that are currently held by the Department**. These loans are identified in the loan record detail report with a guarantor/servicer code of "**555**". The address to submit erroneous data allegations to the Department's Default Management Division is provided in "Appendix A."
- ❖ The **Department's Direct Loan servicer** is responsible for responding to schools' allegations regarding **ALL Direct Loan Program loans**. These loans are identified in the loan record detail report with a guarantor/servicer code of "**0101**". The address to submit erroneous data allegations to the Department's Direct Loan servicer is provided in "Appendix A."



Even though the **Current Lender/Servicer/Holder** code for defaulted Direct Loan Program loans is "**555**", ALL inquiries regarding Direct Loan Program loans must be directed to the Direct Loan servicer.

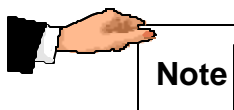
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The Department's Default Management Division is also responsible for reviewing a school's erroneous data appeal once the school has received responses to all of its erroneous data allegations. The Department will review each allegation of erroneous data listed on the spreadsheet submitted by a school as a part of its timely submitted appeal.

- ❖ If the Department determines that changes are warranted based on the allegations presented by the school, the Department will recalculate the school's cohort default rate based on the correct data and notify the school of the revised cohort default rate(s).

Please refer to page 33 of the "Cohort Default Rate Calculation" section for information on adding and subtracting loans to and from the cohort default rate calculation.

- ❖ If the school was notified that it was subject to sanctions due to its cohort default rates and the Department determines that the school's revised cohort default rate is below the applicable sanction threshold(s), the Department will withdraw the notice that the school is subject to the loss of eligibility to participate in any Title IV Student Financial Assistance Programs due to the school's cohort default rates.
- ❖ If the school is subject to initial or extended loss of eligibility to participate in the FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program, and the Department determines that the school's revised cohort default rate(s) is not below 25.0 percent and the school does not have any other cohort default rate adjustments/appeals pending before the Department, the Department will notify the school of the effective date of its loss of eligibility to participate in the FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program and any liabilities that the school may have incurred during the adjustment/appeal process.



If a school is subject to initial loss of eligibility to participate in the FFEL Program and/or Direct Loan Program and the school's adjustment/appeal of that loss is unsuccessful, the school will be liable for certain costs associated with FFEL Program loans certified and delivered and Direct Loan Program loans originated and disbursed by the school. A school's period of liability with regard to these costs begins 30 calendar days after the school receives notice that it is subject to initial loss of eligibility to participate in the FFEL Program and/or Direct Loan Program. The period of liability ends upon the earlier of the withdrawal of the school's adjustment/appeal, the resolution of the school's adjustment/appeal, or the 45th calendar day after the date the school submitted its completed adjustment/appeal to the Secretary for review.⁵

- ❖ If the school is subject to possible limitation, suspension, and/or termination (LS&T) due to its official cohort default rate and the school's revised cohort default rate is not below 40.1 percent, and the school does not have any other cohort default rate adjustment/appeals pending before the Department, the school will be referred to the Department's Administrative Actions and Appeals Division for possible LS&T of all Title IV Student Financial Assistance Programs.

Please refer to page 37 of the "Cohort Default Rate Effects" section for more information on the effects of sanctions associated with official cohort default rates.

⁵ HEA Section 435(a)(2)(A) and 34 CFR Section 668.17(b)(6)(ii)

What if a school's erroneous data allegations and/or appeal is sent to the wrong entity?

If a school submits its erroneous data allegations and/or appeal to the wrong entity, the allegations/appeal will NOT be reviewed and the school could miss the deadline for submitting the erroneous data allegations/appeal.

Erroneous data allegations should be sent to the entity responsible for the loan. The entity responsible for the loan is identified by the guarantor/servicer code that is reported on the loan record detail report for the loan in question.



Note

The entities identified by the **guarantor/servicer codes** in the loan record detail report include guaranty agencies, the Department's Default Management Division, and the Department's Direct Loan servicer. "Appendix A" identifies the entity contact and address information associated with each guarantor/servicer code.

Erroneous data appeals should be sent to the Department's Default Management Division at the address on page 171 once the school has received all of the responses to its erroneous data allegations.

How can an erroneous data appeal affect the school's official cohort default rate?

If, as a result of an erroneous data appeal, the Department determines that a school's official cohort default rate is incorrect, the Department will recalculate the cohort default rate using the corrected data. This may **lower, raise, or not affect** any of a school's three most recent official cohort default rates.

Please refer to page 33 of the "Cohort Default Rate Calculation" section for information on adding and subtracting loans to and from the cohort default rate calculation.



Note

Even though the Department may alter a school's official cohort default rate calculation(s), subsequent copies of the school's official loan record detail report(s) will not reflect the change. Therefore, it is important to keep a copy of the Department's final determination letter as the official record of the school's cohort default rate(s).

What types of allegations may a school submit as a part of an erroneous data request?

The following are examples of various types of allegations a school may submit as erroneous data allegations PROVIDED that the loans on which the allegations are based are considered new data and/or disputed data.



Note

To demonstrate that a loan is considered new data, a school must include a copy of the relevant page(s) from the draft and/or official loan record detail report(s) to show that the loan has been included, excluded, and/or changed in some manner. To demonstrate that a loan is considered disputed data, a school must provide a copy of the guaranty agency/Direct Loan servicer's response to the school's draft data challenge which addresses the loan in question.

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Borrower is missing from official cohort default rate calculation

If a school believes that a borrower was incorrectly excluded from the official cohort default rate calculation, it should include documentation in its appeal to prove the borrower's last day of attendance and the correct date entered repayment, along with proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or the National Student Loan Data System (NSLDS), as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on which borrowers should be included in the cohort default rate calculation and page 60 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

Q. If a loan is considered in default due to the default of a consolidation loan, to which entity should the school submit its appeal – the entity that guaranteed/originated the original loan or the entity that guaranteed/originated the consolidation loan?

A. If the school is challenging the date the original loan entered repayment, it should address its appeal to the entity identified by the guarantor/servicer code on the loan record detail report for the original loan. If the school is challenging the default status of the consolidation loan, it should address its adjustment to the entity identified by the guarantor/servicer code on the loan record detail report for the consolidation loan.

The same entity is not always responsible for both loans.

••

Loan duplicated in official cohort default rate calculations

If a school believes that the same loan is reported in two different official cohort default rate calculations, it should include documentation in its appeal to prove the borrower's last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required. In addition, the school should provide the pages of the official loan record detail reports from the two separate cohort default rate calculations to demonstrate that the loan was duplicated.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on page 25 of the "Cohort Default Rate Calculation" section for information on multiple loans for one borrower and page 60 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

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Loan reported with an incorrect date entered repayment

If a school believes that the date entered repayment for a loan listed on the official loan record detail report is incorrect, it should include documentation in its appeal to prove the borrower's last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on determining the correct date entered repayment and page 58 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

•• **Borrower received an insufficient grace period or delinquency period**

If a school believes that a borrower received an insufficient grace period or delinquency period, the school should determine if the borrower's date entered repayment and/or claim paid date for FFEL Program loans and/or default date for Direct Loan Program loans are correct. If the date entered repayment and/or claim paid date/default date are incorrect, the school should include documentation in its appeal to prove the correct date entered repayment and/or claim paid date/default date and, in the case of the date entered repayment, proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required.

Please refer to pages 20 through 23 of the "Cohort Default Rate Calculation" section for information on calculating the date entered repayment and for information on the parameters of the claim paid date/default date, and page 58 of the "Loan Record Detail Report" section for information on the location of the date entered repayment and claim paid date/default date on the loan record detail report.

•• **Loan incorrectly converted using date-specific and/or month-specific methodology**

If the school believes a lender failed to use date-specific methodology to convert an FFEL Program loan into repayment, the school should submit the allegation as a part of its appeal. The school should include documentation in its appeal to prove the borrower's last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency or NSLDS, as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on calculating the date entered repayment and page 58 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

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Federal SLS Loan and FFEL Program Stafford Loan entered repayment at different times

If a school believes a Federal SLS loan and an FFEL Program Stafford loan, with different repayment dates, were given during the same period of continuous enrollment and should have the same repayment dates, the school should include documentation in its appeal to prove that the loans have different repayment dates and documentation demonstrating that the loans were given during the same period of continuous enrollment.

Please refer to page 21 of the "Cohort Default Rate Calculation" section for information on how to determine the repayment dates for Federal SLS and FFEL Stafford loans given during the same period of continuous enrollment and page 58 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

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Cancelled loans included in the official cohort default rate calculation

If a school believes that a loan included in the official cohort default rate calculation has been cancelled, it should include documentation in its appeal to prove that the loan was never disbursed or was fully refunded within 120 days of disbursement.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on page 29 of the "Cohort Default Rate Calculation" section for information on the exclusion of cancelled loans from the cohort default rate calculation and page 60 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

•• **Discharged loans included as defaulted loans in the official cohort default rate calculation**

If a school believes that a loan reported as a defaulted loan in the official cohort default rate calculation was discharged due to death, bankruptcy, and/or disability PRIOR to defaulting, it should include documentation in its appeal to prove that the loan was discharged prior to defaulting and proof that the lender/guaranty agency/Direct Loan servicer was timely notified of the incident that resulted in the discharge.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates are Calculated" chart on pages 27 and 28 of the "Cohort Default Rate Calculation" section for information on the exclusion of discharged loans due to death, bankruptcy, and/or disability from the cohort default rate calculation and page 60 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

•• **Defaulted loan was repurchased by the lender**

If a school believes that a defaulted loan was repurchased by the lender and should be removed from the official cohort default rate calculation, the school should determine why the loan was repurchased.

- ❖ If the loan was repurchased by the lender because the guaranty agency determined that the lender failed to meet the insurance requirements, the loan is an **uninsured loan** and should not be included in the cohort default rate calculation. A school should request that the loan be completely removed from the official cohort default rate calculation.

- ❖ If the loan was repurchased following the payment on a claim because the lender incorrectly submitted the loan to the guaranty agency and the lender **immediately** requested the loan be returned and a subsequent claim was not paid on the loan within the cohort period in question, the loan should not be included in the numerator of the cohort default rate calculation. The school should request that the loan be removed from the numerator of the official cohort default rate calculation.
- ❖ If the loan was repurchased following the payment of a claim because the borrower established a **new payment plan** and was making payments or if the lender/servicer simply requested the repurchase (i.e., a courtesy repurchase), the school should request that the loan be removed from the numerator of the official cohort default rate calculation **ONLY** if the loan was **successfully rehabilitated** in accordance with the criteria described in the "Special Circumstances Affecting How Cohort Default Rates are Calculated" chart on page 30 in the "Cohort Default Rate Calculation" section.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on pages 31 and 32 of the "Cohort Default Rate Calculation" section for information on repurchased loans, and page 60 of the "Loan Record Detail Report" section for information on identifying how a loan is used in the cohort default rate calculation.

These are some, but not all, of the allegations a school may identify.

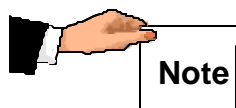
**Note**

If the documentation submitted by the school as a part of its erroneous data allegations was never originally submitted to the guaranty agency/Direct Loan servicer or lender, or was not submitted in a timely manner, the guaranty agency/Direct Loan servicer may respond that the data in question was determined based on the best information available at the time, and, as a result, for cohort default rate purposes, no change is warranted.

TIMING AND SUBMITTING

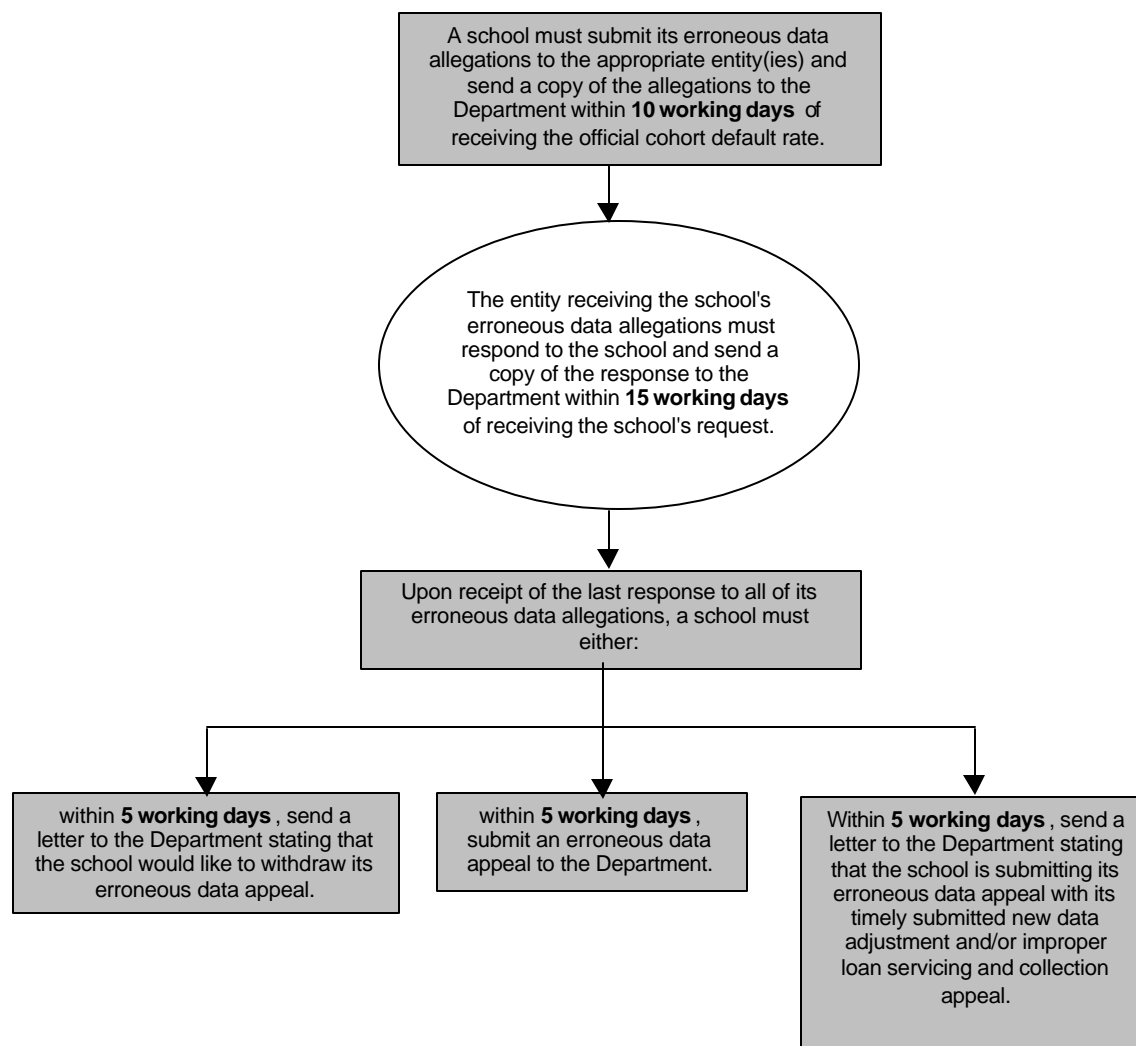
What are the time frames and procedures for submitting an erroneous data appeal?

Timing is critical when appealing an official cohort default rate on the basis of erroneous data. An overview of the time frames for the erroneous data appeal process is shown below.



Note

If the school's submission due date falls on a weekend or a federal holiday, a school may send its new data allegations/adjustment to the guaranty agency/Direct Loan servicer/Department no later than the next federal business day.



Box = Time frames for schools

Oval = time frames for guaranty agencies/Direct Loan servicer

The following pages provide a step-by-step description of the time frames and procedures associated with an erroneous data appeal.



Time frames may overlap. Read ALL steps.



Please refer to page 174 for an example of a situation that would warrant the submission of erroneous data allegations based on disputed data and new data.

Step 1.

Within **10 working days** of receiving its official cohort default rate, a school must review the school's official cohort default rate notification letter and this Guide to determine if the school is eligible to submit an erroneous data appeal.

Please refer to page 143 for a detailed discussion regarding which schools are eligible to submit an erroneous data appeal.

Step 2:

If eligible to submit an erroneous data appeal, **within the time frame described in Step 1** (i.e., within 10 working days of receiving its official cohort default rate), a school must—

- Identify any **disputed data** remaining from the draft data challenge by:
 - ❖ reviewing the responses it received to its draft data challenge(s);
 - ❖ identifying allegations that the entity responsible for responding to the draft data challenge did NOT agree to change;
 - ❖ reviewing the official loan record detail report to verify that a change was not made to the account;

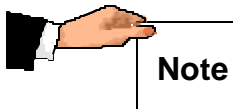
AND

 - ❖ verifying that according to the school's records and information obtained from outside sources, a change to the account should be made.
- Identify any **new data** which it believes is incorrect by:
 - ❖ comparing the draft loan record detail report to the official loan record detail report;

- ❖ identifying any changes in the loan data between the draft and official loan record detail reports;

AND

- ❖ determining if the changes in the loan data results in loan data being reported incorrectly.



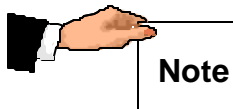
Note

When determining if disputed data and/or new data is incorrect, a school should refer to the types of allegations that a school may submit as a part of an erroneous data appeal beginning on page 153.

Step 3:

If disputed data and/or new data is identified and the school believes the data is incorrect, **within the time frame described in Step 1** (i.e., within 10 working days of receiving its official cohort default rate), a school must –

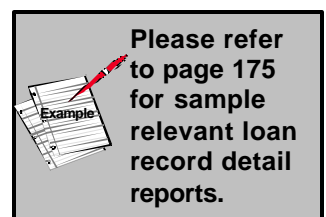
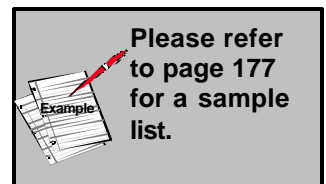
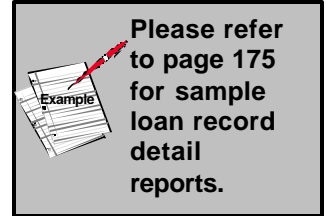
- Compile a list of the loans that are considered new data and/or disputed data and that the school believes are incorrectly reported in the official cohort default rate. A separate list should be compiled for each entity responsible for the loan(s) in question.



Note

A school should refer to the Sample Erroneous Data Allegations SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 177 and 176, respectively, to assist in developing the list.

- Compile copies of the relevant pages of the draft and official LOAN RECORD DETAIL REPORTS.



The relevant pages of the loan record detail report include those pages where the loan appears or should appear. If the loan appears (or should appear) at the top or bottom of a page, include the preceding or succeeding page to demonstrate that the loan is not on the previous or subsequent page. If the loan is considered new data, provide both the draft and official loan record detail report to demonstrate that the data changed between the calculation of the draft and official cohort default rates.

••

Compile copies of the relevant guaranty agency/Direct Loan servicer draft data challenge response(s) to demonstrate that those loans identified as disputed data were addressed by the school during the draft data challenge process.

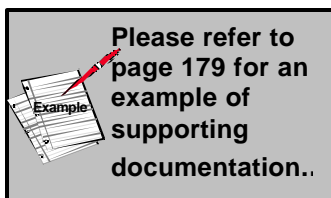
AND

••

Compile copies of the relevant SUPPORTING DOCUMENTATION that demonstrate that the loan is not being correctly used in the official cohort default rate calculation.

Examples of supporting documentation include:

- ❖ a signed and dated copy of a letter to the relevant lender, guaranty agency, and/or Direct Loan servicer that informs the entity of the borrower's last date of attendance and proof that the documentation was timely sent to the relevant lender/guaranty agency/Direct Loan servicer;
- ❖ a dated copy of a Student Status Confirmation Report (SSCR) sent to a relevant entity that confirms the borrower's last date of attendance and proof that the documentation was timely sent to the lender/guaranty agency/Direct Loan servicer;



- ❖ a screen print from the SSCR function within NSLDS that confirms the borrower's last date of attendance was timely recorded within NSLDS;

AND/OR

- ❖ a copy of a **cancelled check**, front and back, or other documentation showing that the borrower's loan was cancelled in-full within 120 days of disbursement by the lender.



These are some, but not all, of the possible documentation that may be provided to support a school's allegation.

Step 4: **Within the time frame described in Step 1** (i.e., within 10 working days of receiving its official cohort default rate), a school must submit the following to each entity for which the school has identified disputed data and/or new data that may be incorrect:

- a letter requesting that the entity review and respond to the school's disputed data and new data allegations;


A school should refer to the Sample Erroneous Data Allegations LETTER on page 178 to assist in developing the letter.

- the Erroneous Data Allegations SPREADSHEET as described in Step 3;

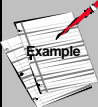
- copies of the relevant pages of the LOAN RECORD DETAIL REPORTS associated with each allegation of error as described in Step 3;

- copies of the relevant guaranty agency/Direct Loan servicer Draft Data Challenge Responses associated with each allegation based on disputed data as described in Step 3;

AND



Due date for submitting allegations to the guaranty agency/Direct Loan servicer.



Please refer to page 178 for a sample letter.

Q. How can a school identify the entity to which an allegation must be submitted?

A. The relevant entities to which allegations must be submitted can be determined by cross-referencing a loan's guarantor/servicer code as listed on the loan record detail report with the guarantor/servicer codes listed in "Appendix A." "Appendix A" also provides a list of the addresses associated with each entity.

Q. How long does a guaranty agency/Direct Loan servicer have to respond to a school's erroneous data request?

A. A guaranty agency/Direct Loan servicer has **15 working days** to respond to a school's erroneous data request.

Please refer to the section entitled "Information for Guaranty Agencies on Adjustments/Appeals" on page 361 for more information about responses to a school's erroneous data request.

••

copies of relevant **SUPPORTING DOCUMENTATION** that supports the school's allegation as described in Step 3.



If a school is appealing its three most recent years of cohort default rates, it should submit all three erroneous data allegations in a single mailing.

Step 5:

Within the time frames described in Step 1 (i.e. within 10 working days of receiving its official cohort default rate) send the Department copies of the request letter(s) and the school's spreadsheet(s) sent to the guaranty agency/Direct Loan servicer in Step 4.


If a school does not meet these **10-working-day** time frames, the school will **NOT** be eligible to continue with the erroneous data appeal process.



A school does **NOT** need to send copies of the loan record detail reports or supporting documentation to the Department at this time.

The chart shown on the next page provides an overview of the **MATERIAL** that should be included in a school's request to the guaranty agency/Direct Loan servicer to review and respond to erroneous data allegations.

Within the time frames described in Step 4 on page 163, the following **MATERIAL**, to support erroneous data allegations, should be sent to the **relevant guaranty agency/Direct Loan servicer**.

<p>The section behind Tab 1 contains:</p> <p>A letter on the school's letterhead with—</p> <ul style="list-style-type: none"> ◆ the school's OPE ID number; ◆ a statement indicating that the school is submitting erroneous data allegations; ◆ a reference to the applicable cohort default rate; ◆ the signature of the school's President/CEO/Owner, followed by a signature block providing the signer's name and job title; <p>AND</p> <ul style="list-style-type: none"> ◆ a notation that a copy of the letter and spreadsheet will be sent to the Department's Default Management Division at the address shown on page 171. <p> Schools only need to send a copy of the letter and spreadsheet to the Department's Default Management Division. It is not necessary to send copies of the loan record detail report or supporting documentation to the Department's Default Management Division at this time.</p> <p>Schools should refer to the Sample Erroneous Data Allegations LETTER, on page 178.</p>	<p>Tab 1</p>
<p>The section behind Tab 2 contains:</p> <p>A spreadsheet of all of the school's alleged errors in the official cohort default rate.</p> <p>Schools should refer to the Sample Erroneous Data Allegations SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 177 and 176, respectively, to assist in creating the list.</p>	<p>Tab 2</p>
<p>The section behind Tab 3 contains:</p> <p>Copies of the relevant pages of the draft and official loan record detail report.</p> <p>Schools should refer to page 162 for information on which pages are considered relevant pages of the draft and official loan record detail report(s) and the Sample LOAN RECORD DETAIL REPORTS on page 175.</p>	<p>Tab 3</p>
<p>The section behind Tab 4 contains:</p> <p>Supporting documentation to support the school's list of alleged errors.</p> <p>Schools should refer to pages 162 and 163 for information on what is considered relevant supporting documentation and the Sample SUPPORTING DOCUMENTATION on page 179.</p>	<p>Tab 4</p>

Q. How long does a guaranty agency/Direct Loan servicer have to respond to a school's request for additional clarification?

A. A guaranty agency/Direct Loan servicer has **5 working days** to respond to a school's request for clarification.

Please refer to the section entitled "Information for Guaranty Agencies on Adjustments/Appeals" on page 368 for more information about responses to a school's request for clarification.

Step 6:

Within **5 working days** of receipt of an entity's response to a school's erroneous data allegations, determine if any additional clarification is needed. If additional clarification is needed, the request for clarification must be submitted to the entity within **5 working days** of receipt of the initial response and a copy of the request must be simultaneously sent to the Department using the address on page 171.



Note

Requests for additional clarification are not an opportunity for a school to provide additional supporting documentation or to submit additional allegations. The requests are allowed solely for a school to gain clarification based on information that was timely submitted as a part of the appeal process.

Step 7.

Within **5 working days** of receiving the last response to ALL of the school's erroneous data allegations, decide how to proceed.

••

A school should **withdraw** from the erroneous data appeal process if it is convinced that there are not any errors in its official cohort default rate calculation;

OR

••

A school should **continue** with the erroneous data appeal process if:

❖ it disagrees with the response(s) received from the relevant entity to its erroneous data allegations;

OR

❖ the responses from the relevant entity indicate that a change is warranted.



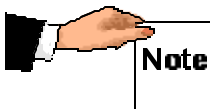
Note

Even if the guaranty agency/Direct Loan servicer agrees that a change is warranted, the school must still submit an erroneous data appeal to the Department — only the Department can decide on and make the recommended changes.

Step 8. Notify the Department whether the school is withdrawing from the appeal process or continuing with the appeal process.

- If the school wants to **withdraw** its erroneous data appeal, within **5 working days** of receiving the last response to ALL of its erroneous data allegations, notify the Department in writing that the school is withdrawing its erroneous data appeal.

Please refer to the "Withdrawing an Appeal" section on page 329.



If a school is subject to initial loss of eligibility to participate in the FFEL Program and/or Direct Loan Program and the school's appeal of that loss is unsuccessful, **the school will be liable for certain costs** associated with FFEL Program loans certified and delivered and Direct Loan Program loans originated and disbursed by the school. A school's period of liability with regard to these costs begins 30 calendar days after the school receives notice that it is subject to initial loss of eligibility to participate in the FFEL Program and/or Direct Loan Program. The period of liability ends upon the earlier of the withdrawal of the school's adjustment/appeal, the resolution of the school's adjustment/appeal, or the 45th calendar day after the date the school submitted its completed adjustment/appeal to the Secretary for review.⁶

OR

- If the school wants to **continue** with the erroneous data appeal process, it must:
 - ❖ submit the school's erroneous data appeal to the Department within **5 working days** of receiving the last response to ALL of its erroneous data allegations using the address on page 171;

OR

⁶ HEA Section 435(a)(2)(A) and 34 CFR Section 668.17(b)(ii)

- ❖ submit the erroneous data appeal with a timely initiated/submitted improper loan servicing and collection appeal and/or new data adjustment.

If a school is submitting an erroneous data appeal, an improper loan servicing and collection appeal, and/or a new data adjustment, it may submit the adjustment/appeals simultaneously by the latter of:

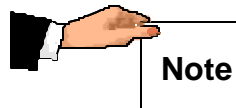
- within **5 working days** of receipt of the last response to ALL of the school's erroneous data allegations;

OR

- within **30 calendar days** of receipt of the last response to ALL of the school's requests for loan servicing records;

OR

- within **5 working days** of receipt of the last response to ALL of the school's new data allegations.



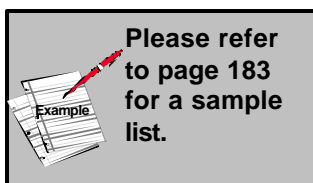
Note

If a school is appealing its three most recent cohort default rates, it should submit all three erroneous data appeals in a single mailing to the Department.

Step 9.

Within the time frames described in Step 8, if the school has decided to continue with the erroneous data appeal process, compile a list of the disputed and/or new data allegations the school wishes to submit to the Department for review .

A school should use the Sample Erroneous Data Appeal SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 183 and 182, respectively, to assist in developing of the list.



Please refer to page 183 for a sample list.

Step 10. Within the time frame described in Step 8, submit the following to the Department using the address on page 171:

- a letter indicating that the school is submitting an erroneous data appeal;

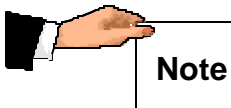
A school should refer to the Sample Erroneous Data Appeal LETTER on page 184 to develop the letter;

- the Erroneous Data Appeal SPREADSHEET as described in Step 9;

- copies of relevant SUPPORTING DOCUMENTATION that supports the school's allegations as described in Step 3.

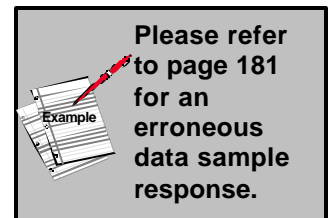
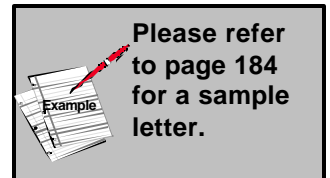
AND

- copies of the guaranty agency/Direct Loan servicer ERRONEOUS DATA RESPONSES;



If a school fails to timely submit its erroneous data appeal to the Department's Default Management Division, the Department will not review the appeal and will return all appeal-related material to the school.

The following page provides an overview of the MATERIAL that should be included in a school's erroneous data appeal.



Within the timeframes described in Step 8 on page 167, the following MATERIAL, to support an erroneous data appeal, should be sent to the Department's Default Management Division at the address shown on page 171.

<p>The section behind Tab 1 contains:</p> <p>A LETTER on the school's letterhead with—</p> <ul style="list-style-type: none"> ◆ the school's OPE ID number; ◆ a statement indicating that the school is submitting an erroneous data appeal; ◆ a reference to the applicable cohort default rate; ◆ a certification that indicates that the information provided in the appeal, under penalty of perjury, is true and correct⁷; ◆ a list of the other adjustments/appeals the school intends to submit to the Department; ◆ the signature of the school's President/CEO/Owner, followed by a signature block providing the signer's name and job title; <p>AND</p> ◆ a notation that a copy of the letter and spreadsheet will be sent to the relevant guaranty agency/Direct Loan servicer. <p>Schools should refer to the Sample Erroneous Data Appeal LETTER on page 184.</p>	Tab 1
<p>The section behind Tab 2 contains:</p> <p>A SPREADSHEET of ALL of the allegations the school wants the Department to review.</p> <p>Schools should refer to the sample Erroneous Data Appeal SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 183 and 182, respectively, to assist in creating the list.</p>	Tab 2
<p>The section behind Tab 3 contains:</p> <p>Copies of the relevant SUPPORTING DOCUMENTATION to support the school's list of alleged errors.</p> <p>Schools should refer to pages 162 and 163 for information on what is considered relevant supporting documentation and the Sample SUPPORTING DOCUMENTATION on page 179.</p>	Tab 3
<p>The section behind Tab 4 contains:</p> <p>Copies of the guaranty agency/Direct Loan servicer's ERRONEOUS DATA RESPONSES.</p> <p>Schools should refer to page 181 for a Sample Erroneous Data RESPONSE.</p>	Tab 4



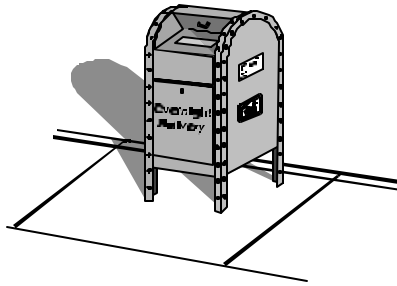
Note

The Department will review only the information submitted with the erroneous data appeal and will not consider information submitted after the applicable deadline. The Department will send the school and each involved entity written notification of its decision. **The Department's decision is final and no further administrative review is provided.**

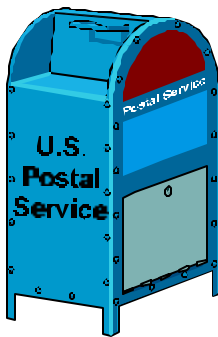
⁷ 34 CFR Section 668.17(c)(6)

If sent by commercial overnight mail/courier delivery, send the school's erroneous data appeal to:

U.S. Department of Education
Default Management Division
ATTN: Erroneous Data Appeal
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024



If sent by U.S. Postal Service, send the school's erroneous data appeal to:



U.S. Department of Education
Default Management Division
ATTN: Erroneous Data Appeal
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353



Note

The Department will not accept any appeal correspondence by facsimile (fax) or e-mail.

The Department recommends that a school send all appeal correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its appeal. A school should maintain the documentation which verifies the receipt of the appeal related material. In addition, a school should retain copies of all documentation submitted as a part of the appeal process.

PART II: Examples and Sample Material

Part II of the "Erroneous Data Appeal" section outlines a situation in which a school would benefit from submitting an erroneous data appeal. This part also provides sample material that should be referenced by a school when compiling the material that must be submitted by a school during the erroneous data appeal process.

CONTENT REFERENCE FOR PART II –

EXAMPLE of a situation that warrants the submission of Erroneous Data Allegations	174
Sample Draft and Official LOAN RECORD DETAIL REPORTS ..	175
Erroneous Data Allegations SPREADSHEET INSTRUCTIONS ..	176
Sample Erroneous Data Allegations SPREADSHEET	177
Sample Erroneous Data Allegations LETTER	178
Sample Erroneous Data Allegations SUPPORTING DOCUMENTATION	179
EXAMPLE of a situation that warrants the submission of an Erroneous Data Appeal	180
Sample Erroneous Data Appeal RESPONSE	181
Erroneous Data Appeal SPREADSHEET INSTRUCTIONS	182
Sample Erroneous Data Appeal SPREADSHEET	183
Sample Erroneous Data Appeal LETTER	184

EXAMPLE of a situation that warrants the submission of Erroneous Data Allegations

Electrical Institute received notification of its FY 1998 official cohort default rate on September 29, 2000. The school's notification included a hardcopy of its FY 1998, FY 1997, and FY 1996 official cohort default rate loan record detail reports.

Within 10 working days of receiving its FY 1998 official cohort default rate, the school:

- determined that it was subject to **initial loss** of eligibility to participate in the FFEL Program, Direct Loan Program, and Federal Pell Grant Program and was, therefore, eligible to pursue an erroneous data appeal of any of its three most recent official cohort default rates since the school had not previously appealed any of its cohort default rates based on allegations of erroneous data;

- compared the responses it received to its draft data challenges to its FY 1998, FY 1997, and FY 1996 official cohort default rates and identified a situation that would be considered disputed data;

As a part of a timely submitted draft data challenge, the school alleged that Tylor Matthew's loan should be included in the school's FY 1998 cohort default rate. The State Guaranty Agency disagreed because there was not any evidence to suggest that the school provided timely notification to the lender/guaranty agency that Tylor left school earlier than scheduled. However, the school believed it had discovered additional documentation to demonstrate that the school timely notified the guaranty agency of Tylor's early departure.

- compared its official loan record detail reports with its draft loan record detail reports (please refer to the Sample LOAN RECORD DETAIL REPORTS on page 175) and identified a situation that would be considered new data. The school believed the newly reported data was incorrect;

Daniel Trader was included in the FY 1998 draft cohort default rate calculation as a non-defaulted loan. However, after receiving the FY 1998 official loan record detail report, the school discovered that Daniel was included in the FY 1998 official cohort default rate calculation as a defaulted loan. The school believes that Daniel's loan should be removed from the numerator of the FY 1998 official cohort default rate calculation because he died on June 14, 1999, before the loan defaulted on September 11, 1999.

- prepared a SPREADSHEET that identified Tylor and Daniel's loans and provided what the school believed was the correct information that should be associated with the loans (please refer to the Sample SPREADSHEET on page 177);

- made a copy of the page of the FY 1998 OFFICIAL LOAN RECORD DETAIL REPORT where Tylor should have been reported and a copy of the page of the FY 1998 DRAFT LOAN RECORD DETAIL REPORT that showed Daniel's loan as a non-defaulted loan and a copy of the page of the FY 1998 OFFICIAL LOAN RECORD DETAIL REPORT that showed Daniel's loan as a defaulted loan (please refer to the Sample LOAN RECORD DETAIL REPORTS on page 175);

- made a copy of the State Guaranty Agency's response that demonstrated that the school originally challenged the exclusion of Tylor's loan during the draft data challenge process;
- made a copy of the signed and dated SSCR sent to the State Guaranty Agency in January, 1999 asking to update Tylor's last date of attendance and proof that State Guaranty Agency was timely notified of Tylor's last date of attendance, and a signed and dated copy of a letter sent to State Guaranty Agency informing the agency of Daniel's death and proof that State Guaranty Agency was timely notified of Daniel's death (please refer to the Sample SUPPORTING DOCUMENTATION on page 179);

AND

- prepared a LETTER for the State Guaranty Agency, which is the entity that currently maintains the guaranty on Tylor and Daniel's loans, requesting clarification on the inaccuracies noted by the school (please refer to the Sample LETTER on page 178).

On October 1, 2000, Electrical Institute mailed the MATERIAL via overnight courier to the State Guaranty Agency at the address found in "Appendix A" and sent a copy of the letter and spreadsheet to the Department's Default Management Division at the address found on page 171.

Sample Draft and Official LOAN RECORD DETAIL REPORTS

U.S. DEPARTMENT OF EDUCATION
NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)
COHORT YEAR **1998 DRAFT LOAN RECORD DETAIL REPORT (SCHOOL)**
Organization ID Number: 00003000

RATE CALCULATION DATE: 12/18/1999
PAGE NO: 1

Attention: STEPHANIE SIMMS
Name: ELECTRICAL INSTITUTE
Address: 1212 WEDGEWOOD LANE
City: LEONARDTOWN
Country: USA

State: WI
Postal Code: 12345-6789

Program Type: FFEL/DL

Years: 1

CLASS Academic

SSN Last name ----- STUDENT ----- First/M.I. D.O.B School Begin Date End Date Level

0 - LENDER/SERVICER/HOLDER- Loan - Claim Rsn/ NegAm Date Repay Date Amount Guarantor/ Servicer Loan/Date Code Date Enrollment Stat/ Usage
Originating Current Type Stat Code

0100-00-0000 SHIFFLETTE
0101 555 D1 DU IX 02/20/1999 10/01/1997 \$ 3,000 0101 09/30/1996 G 12/15/1998 B DB

0444-44-4444 TRADER
8000040000 8000040000 SF RP 00/00/0000 01/16/1998 \$ 2,625 111 10/21/1977 00003000 08/25/1997 05/11/1998 1 FD

0777-77747777 TUCKER
8000040000 8000040000 SF RP 00/00/0000 06/12/1998 \$ 2,625 111 08/12/1969 00003000 02/13/1996 09/11/1997 1 FD

U.S. DEPARTMENT OF EDUCATION

NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)

COHORT YEAR **1998 OFFICIAL LOAN RECORD DETAIL REPORT (SCHOOL)**

Organization ID Number: 00003000

RATE CALCULATION DATE: 08/12/2000
PAGE NO: 1

Attention: STEPHANIE SIMMS
Name: ELECTRICAL INSTITUTE
Address: 1212 WEDGEWOOD LANE
City: LEONARDTOWN
Country: USA

State: WI
Postal Code: 12345-6789

Program Type: FFEL/DL

Years: 1

CLASS Academic

SSN Last name ----- STUDENT ----- First/M.I. D.O.B School Begin Date End Date Level

0 - LENDER/SERVICER/HOLDER- Loan - Claim Rsn/ NegAm Date Repay Date Amount Guarantor/ Servicer Loan/Date Code Date Enrollment Stat/ Usage
Originating Current Type Stat Code

0444-44-4444 TRADER
8000040000 8000040000 SF DU DF 09/11/1999 01/16/1998 \$ 2,625 111 10/21/1977 00003000 08/25/1997 05/11/1998 1 FB

0555-55-5555 ANDERSON
8000040000 8000040000 SF RP 00/00/0000 06/12/1998 \$ 2,625 111 11/18/1979 00003000 02/13/1997 09/11/1997 1 FD

Erroneous Data Allegations **SPREADSHEET INSTRUCTIONS**

Column 1:

Enter the student's social security number (SSN) using hyphens to separate the numbers (example: 000-88-0000).

Column 2:

Enter the borrower's name.

Column 3:

Enter the number and type of loan(s). Use the following codes:

Loan Type Codes	
Code	Description
D1	Direct Loan Subsidized Stafford Loan
D2	Direct Loan Unsubsidized Stafford Loan
SF	FFEL Subsidized Stafford Loan
SL	Supplemental Loans for Student Loans
SU	FFEL Unsubsidized Stafford Loan

Enter Disputed (Disputed Data) or New (New Data) to identify if errors are alleged on the basis of unresolved data allegations from the draft data challenge or new data.

Column 4:

Enter MM/DD/CCYY (month, day, and year) of the earlier of the borrower's LDA (last date of attendance) or the LTH (less than half-time) date according to the school's records and outside sources.

Column 5:

Enter MM/DD/CCYY or MM/CCYY to identify the DER (date the loan entered repayment) according to the school's records and outside sources.

Column 6:

Enter MM/DD/CCYY or MM/CCYY to identify the CPD (claim paid date), DD (default date), or ICRD (income contingent repayment date) according to the school's records and outside sources.


Column 7:

Enter the fiscal year(s) to which the school believes this information should be applied.

Column 8:

Enter N (numerator), D (denominator), or B (both numerator and denominator), accompanied by a plus or minus sign (such as +D or -D) to show how the school believes the information will affect its official CDR (cohort default rate) calculation.

Record all loans being challenged using a spreadsheet software application such as Excel or Lotus 1-2-3.



Fill out a separate spreadsheet for each entity, as identified by the guarantor/servicer code, for which the school alleges disputed or new data errors.

The spreadsheet should be on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

Header:


Enter **FY [insert year]** Erroneous Data Allegations in the center of the header area. In the left-hand area, enter the school's name, the school's OPE ID number, the guarantor/servicer's code and the guaranty agency/Direct Loan servicer name associated with the allegations, and the number of borrowers and loans on the list.

Footer:

Enter the date the spreadsheet was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

Sort:

The borrowers listed on the spreadsheet should be sorted by the borrower's Social Security number.




Only the allegations listed on the school's spreadsheet will be reviewed. **If a borrower has multiple loans that may contain disputed or new data errors, a school must enter data for each loan for the borrower.**

On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each loan for which the school is submitting disputed and/or new data allegations.

A school should input dates based on the school's records. A school should NOT include dates based on the loan record detail report or guaranty agency and/or Direct Loan servicer information if it believes those dates are incorrect.



Page 176

FY 1998 Official Cohort Default Rate Guide

Sample Erroneous Data Allegations **SPREADSHEET**

Electrical Institute
OPE ID Number: 000030
Guarantor/Service Code: 111
State Guaranty Agency
Number of borrowers: 2
Number of loans: 2

FY 1998 Erroneous Data Allegations

Note: This is a sample spreadsheet. See instructions on page 176.

[illegible]

10/02/2000

Send to the relevant entity at the address located in "Appendix A".

Page 1 of 1

Sample Erroneous Data Allegations **LETTER**



October 1, 2000

Electrical Institute

1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789
(123) 456-7890

State Guaranty Agency
Guarantor/Service Code 111
ATTN: Bob Bowen
1234 Trueman Road
Lusby, North Carolina 98765-4321

OPE ID#: 000030

Sample Letter

Subject: FY 1998 Erroneous Data Allegations

Dear Mr. Bowen:

Electrical Institute, **OPE ID# 000030**, is submitting a list of erroneous data allegations for review by State Guaranty Agency.

Please see the enclosed spreadsheet, relevant pages of the draft and official loan record detail reports, and supporting documentation.

Electrical Institute is also submitting an improper loan servicing and collection appeal to the Department for review.

Sincerely,

Stephanie Simms

Stephanie Simms, President

Enclosures

cc: U. S. Department of Education, Default Management Division

Sample Erroneous Data Allegations **SUPPORTING DOCUMENTATION****Electrical Institute**

1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789
(123) 456-7890

Sample Letter

July 12, 1999

State Guaranty Agency
Guarantor/Service Code 111
ATTN: Bob Bowen
1234 Trueman Road
Lusby, North Carolina 98765-4321

OPE ID#: 000030

Subject: Borrower's Death

Dear Mr. Bowen:

Electrical Institute, **OPE ID# 000030**, wishes to inform State Guaranty Agency that Daniel Trader (444-44-4444) died on June 14, 1999. Please see the attached death certificate.

Thank you.

Sincerely,

Stephanie Simms

Stephanie Simms, President

PS Form 3800, March 1993

2 306 558 633

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to: State Guaranty Agency

Street and No.:

P.O., Street and ZIP Code:

Postage: \$

Certified Fee:

Special Delivery Fee:

Restricted Delivery Fee:

Return Receipt Showing to Whom & Date Delivered:

Return Receipt Showing to Whom & Date Delivered:

TOTAL Postage & Fees:

Postmark:

JUL 13 1999

Fold at line over top of envelope to the right of the return address

CERTIFIED

2 306 558 633

MAIL

EXAMPLE of a situation that warrants the submission
of an Erroneous Data Appeal

Electrical Institute received its last response to all of its erroneous data allegations on October 23, 2000 from the State Guaranty Agency.

Within 5 working days of receiving the State Guaranty Agency Erroneous Data Response, the school:

- reviewed the State Guaranty Agency Erroneous Data Response which indicated that the State Guaranty Agency did not agree that Tylor Matthews' loan should be added to the school's FY 1998 official cohort default rate calculation but agreed to remove Daniel Trader's loan from the numerator of its FY 1998 official cohort default rate calculation (please refer to the Sample ERRONEOUS DATA RESPONSE on page 181);
- prepared a spreadsheet that identified Tylor's loan and provided what the school believed was the correct information that should be associated with Tylor's loan. The school's spreadsheet also identified Daniel's loan and provided what the school and State Guaranty Agency believed is the correct information that should be associated with Daniel's loan (please refer to the Sample SPREADSHEET on page 183);
- made a copy of the supporting documentation that the school believes demonstrates that Tylor's loan belongs in the FY 1998 cohort default rate (please refer to the Sample SUPPORTING DOCUMENTATION on page 179);
- made a copy of the State Guaranty Agency ERRONEOUS DATA RESPONSE indicating that it did not agree to add Tylor's loan to the FY 1998 official cohort default rate calculation and that it agreed to remove Daniel's loan from the numerator of the FY 1998 official cohort default rate calculation (please refer to the Sample Erroneous Data Appeal RESPONSE on page 181);

AND

- prepared a LETTER to the U.S. Department of Education's Default Management Division for its erroneous data appeal (please refer the Sample Erroneous Data Appeal LETTER on page 184).

On October 27, 2000, Electrical Institute mailed the MATERIAL via overnight courier to the Department's Default Management Division at the address found on page 171. In addition, Electrical Institute sent a copy of the letter and spreadsheet associated with its erroneous data appeal to State Guaranty Agency.

Sample Erroneous Data Appeal **RESPONSE****State Guaranty Agency**

1234 Trueman Road
Lusby, North Carolina 98765-4321
(111) 222-3333

October 14, 2000

Stephanie Simms
President
Electrical Institute
1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789

OPE ID#: 000030

Sample Letter

Subject: FY 1998 Erroneous Data Response

Dear Ms. Simms:

This is State Guaranty Agency's response to Electrical Institute's, **OPE ID# 000030**, FY 1998 erroneous data allegations.

Please see the enclosed spreadsheet and supporting documentation.

Sincerely,

Bob Bowen

Bob Bowen, Compliance Officer

Enclosure

cc: U.S. Department of Education, Default Management Division

State Guaranty Agency
Electrical Institute
OPE ID#: 000030
Number of borrowers: 2
Number of loans: 2

FY 1998 Erroneous Data Response

1. Borrower's SSN	2. Borrower's Name	3. Type of loan (Use codes provided in instructions on page __)	4. Basis of alleged error	5. Earlier of LTH or LDA (MM/DD/CCYY)	6. Date entered repayment (DER) (MM/DD/CCYY)	7. CPD, DD, ICRD, or N/A (MM/DD/CCYY or leave blank)	8. FY(s) appl.	9. Effect on CDR calc.	10. Comments
333-33-3333	Tylor Matthews	1 SF	Disputed	12/07/1998	06/08/1999	N/A	FY 1999	+D	Disagree. Our records indicate that the school submitted a letter dated 02/04/1999, after the SSCR in the appeal dated 01/05/99, indicating that the borrower left school on 12/07/1998. Please see the attached supporting documentation.
444-44-4444	Daniel Trader	1 SF	New	07/15/1997	01/16/1998	N/A	FY 1998	-N	Agree. Our records indicate that the school submitted a letter dated 07/12/1999 and a copy of Daniel's death certificate in a timely manner.

10/14/2000

Page 1 of 1

Erroneous Data Appeal SPREADSHEET INSTRUCTIONS

Column 1: Enter the student's Social Security number (SSN) using hyphens to separate the numbers (example: 000-88-0000).

Column 2: Enter the borrower's name.

Column 3: Enter the number and type of loan(s). Use the following codes to identify the type of loan:

Loan Type Codes	
Code	Description
D1	Direct Loan Subsidized Stafford Loan
D2	Direct Loan Unsubsidized Stafford Loan
SF	FFEL Subsidized Stafford Loan
SL	Supplemental Loans for Student Loans
SU	FFEL Unsubsidized Stafford Loan

Column 4: Enter Disputed (Disputed Data) or New (New Data) to identify if errors are alleged on the basis of unresolved data allegations from the draft data challenge or new data.

Column 5: Enter MM/DD/CCYY (month, day, and year) of the earlier of the borrower's LDA (last date of attendance) or the LTH (less than half-time) date according to the school's records and outside sources.

Column 6: Enter MM/DD/CCYY or MM/CCYY to identify the DER (date the loan entered repayment) according to the school's records and outside sources.

Column 7: Enter MM/DD/CCYY or MM/CCYY to identify the CPD (claim paid date), DD (default date), or ICRD (income contingent repayment date) according to the school's records and outside sources.

Column 8: Enter the fiscal year(s) to which the school believes this information should be applied.

Column 9: Enter N (numerator), D (denominator), or B (both numerator and denominator), accompanied by a plus or minus sign (such as +D or -D) to show how the school believes the information will affect its official CDR (cohort default rate) calculation.

Column 10: Enter the guarantor/servicer code of the entity responsible for the loan (found in "Appendix A")

Record all loans, from ALL guaranty agencies/Direct Loan servicer for which the school is appealing to the Department, using a spreadsheet software application such as Excel or Lotus 1-2-3.

The spreadsheet should be on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

Header: Enter **FY [insert year] Erroneous Data Appeal** in the center of the header area. In the left-hand area, enter the school's name, the school's OPE ID number, and the number of borrowers and loans associated with the borrowers on the list.

Footer: Enter the date the appeal was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

Sort: The borrowers listed on the spreadsheet should be sorted by:

1. Guarantor/servicer code associated with the entity responsible for the loan;
2. Borrower's Social Security number



Only the allegations listed on the school's spreadsheet will be reviewed. If a borrower has multiple loans, each loan to be reviewed must be listed on the spreadsheet.

On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each loan for which the school is appealing.



A school should input dates based on the school's records. A school should NOT include dates based on the loan record detail report or guaranty agency and/or Direct Loan servicer information if it believes those dates are incorrect.

Sample Erroneous Data Appeal **SPREADSHEET**

Electrical Institute
OPE ID Number: 000030
Number of borrowers: 2
Number of loans: 2

FY 1998 Erroneous Data Appeal

Note: This is a sample spreadsheet. See instructions on page 182.

[illegible]

10/27/2000

Send to the Department's
Default Management Division
at the address located on
page 171.

Page 1 of 1

Sample Erroneous Data Appeal **LETTER****Electrical Institute**

1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789
(123) 456-7890

October 27, 2000

U.S. Department of Education
Default Management Division
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, D.C. 20024

OPE ID#: 000030

Sample Letter

Subject: FY 1998 Erroneous Data Appeal

Dear Default Management Division:

Electrical Institute, **OPE ID# 000030**, is submitting an FY 1998 erroneous data appeal.

Please see the enclosed spreadsheet, correspondence, and supporting documentation.

Electrical Institute is submitting its erroneous data appeal at this time, however, the school has also timely submitted an uncorrected data adjustment.

I, the undersigned, certify under penalty of perjury, that all information submitted in support of the erroneous data appeal is true and correct.

Sincerely,

Stephanie Simms

Stephanie Simms, President

Enclosures

cc: State Guaranty Agency